Amendments to the Specification

Please replace paragraphs two and three on page 5 with the following new paragraphs:

Meanwhile, as examples of the down conversion algorithm, there [[are]] is a method for performing down-sampling in a spatial region with respect to horizontal and vertical directions and a method for performing filtering/down-sampling in a DCT frequency region.

For application of the above down conversion methods to the MPEG-2 video system, a method for encoding an MPEG-2 video signal will be described.

Please replace paragraph the last paragraph which bridges pages 15 and 16 with the following new paragraph:

On the other hand, if the input data is the frame DCT coded block, the IDCT and down-sampling part 304 converts the frame DCT coded block to the field DCT coded block and performs the down-sampling and IDCT in the range of the DCT conversion. Therefore, an output from the IDCT and down-sampling part 304 has always the field-based vertical structure as shown in Fig. [[6]] 6A. The output from the IDCT and down-sampling part 304 are input to the MB adder 305.